WHAT IS CLAIMED IS:

1. An integrated point of sale payment terminal for processing multiple payment types including payment by check, the payment terminal being located at the point of sale during use to allow a store merchant to accept multiple payment types, the payment terminal comprising:

a compact housing having a base shaped to sit on a merchant counter and having a document slot for receiving a check;

a processor disposed in the housing;

a memory in communication with the processor;

a magnetic ink character recognition device, for reading a string of magnetic ink characters on the check, affixed to the housing at the document slot and in communication with the processor; and

an imaging device, for capturing an image of the check, affixed to the housing at the document slot and in communication with the processor,

wherein the processor is programmed to process multiple payment types including processing a checking account transaction when the check is placed in the document slot.

2. The payment terminal of claim 1 further comprising:

a display on the housing and in communication with the processor.

3. The payment terminal of claim 1 further comprising:

a keypad on the housing and in communication with the processor.

4. The payment terminal of claim 1 wherein the housing has a second slot for receiving a payment card, and wherein the payment terminal further comprises:

a magnetic stripe reader affixed to the housing at the second slot and in communication with the processor.

5. The payment terminal of claim 1 further comprising:

a printing device configured to print on a roll receipt and further configured to print on the check received in the document slot.

6. The payment terminal of claim 1 further comprising:

a modem located in the housing and in communication with the processor.

7. The payment terminal of claim 1 further comprising:

a serial port located on the housing and in communication with the processor for connecting an external device to the payment terminal.

8. The payment terminal of claim 1 further comprising:

a smart card reader affixed to the housing and in communication with the processor.

9. The payment terminal of claim 1 wherein the payment terminal is further configured to determine an authenticity of the document.

10. The payment terminal of claim 1 wherein the payment terminal is further configured to utilize dynamic thresholding to, in real-time, discriminate text from background as it relates to checks at point of sale.

11. A method of electronic check conversion for use with an integrated point of sale payment terminal for processing multiple payment types including payment by check, the payment terminal being located at the point of sale during use to allow a store merchant to accept multiple payment types, the payment terminal including a compact housing having a base shaped to sit on a merchant counter and having a document slot for receiving a check, a processor disposed in the housing, a memory in communication with the processor, a magnetic ink character recognition device for reading a string of magnetic ink characters on the check and affixed to the housing at the document slot and in communication with the processor, and an imaging device for capturing an image of the check and affixed to the housing at the document slot and in communication with the processor, wherein

the processor is programmed to process multiple payment types including processing a checking account transaction when the check is placed in the document slot, the method comprising:

sending a check transaction to a host;

accessing a set of eligibility rules at the host;

determining an eligibility status of the transaction for electronic check conversion based on the set of rules; and

processing the transaction as an electronic debit when the status is eligible, and otherwise, processing the transaction as a paper check.

12. A method of electronic check conversion for use with an integrated point of sale payment terminal for processing multiple payment types including payment by check, the payment terminal being located at the point of sale during use to allow a store merchant to accept multiple payment types, the payment terminal including a compact housing having a base shaped to sit on a merchant counter and having a document slot for receiving a check, a processor disposed in the housing, a memory in communication with the processor, a magnetic ink character recognition device for reading a string of magnetic ink characters on the check and affixed to the housing at the document slot and in communication with the processor, and an imaging device for capturing an image of the check and affixed to the housing at the document slot and in communication with the processor, wherein the processor is programmed to process multiple payment types including processing a checking account transaction when the check is placed in the document slot, the method comprising:

capturing an image of the check at the payment terminal;

sending a check transaction to a host;

accessing a set of image rules at the host;

determining an image status of the transaction based on the set of image rules; and

immediately requesting the transferring of the image from the payment terminal to the host when the image status is required, otherwise, allowing the payment terminal to transfer the image to the host, if at all, when the payment terminal is idle.

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13. An integrated point of sale payment terminal for processing multiple payment types including payment by debit, payment by credit, payment by smart card, and payment by check, the payment terminal being located at the point of sale during use to allow a store merchant to accept multiple payment types, the payment terminal comprising:

a compact housing having a base shaped to sit on a merchant counter and having a first slot for receiving a payment card, a second slot for receiving a check, and a third slot for receiving a smart card;

a processor disposed in the housing;

a random access memory in communication with the processor;

a display on the housing and in communication with the processor;

a keypad on the housing and in communication with the processor;

a magnetic stripe reader affixed to the housing at the first slot and in communication with the processor;

a magnetic ink character recognition device, for reading a string of magnetic ink characters on the check, affixed to the housing at the second slot and in communication with the processor;

an imaging device, for capturing an image of the check, affixed to the housing at the second slot and in communication with the processor;

a smart card reader affixed to the housing at the third slot and in communication with the processor;

a printing device; and

a modem located in the housing and in communication with the processor,

wherein the processor is programmed to process multiple payment types including processing a credit card when the credit card is passed through the first slot and printing a receipt, processing a debit card when the debit card is passed through the first slot and printing a receipt, processing a smart card when the smart card is passed through the third slot and printing a receipt, and further including processing a checking account transaction when a check is placed in the second slot.

14. An integrated point of sale payment terminal for processing multiple payment types including payment by debit, payment by credit, payment by smart card, and payment by check, the payment terminal being located at the point of sale during use to allow a store merchant to accept multiple payment types, the payment terminal comprising:

a compact housing having a base shaped to sit on a merchant counter and having a first slot for receiving a payment card, a second slot for receiving a check, and a third slot for receiving a smart card;

a processor disposed in the housing;

a random access memory in communication with the processor;

a display on the housing and in communication with the processor;

a keypad on the housing and in communication with the processor;

a magnetic stripe reader affixed to the housing at the first slot and in communication with the processor;

a magnetic ink character recognition device, for reading a string of magnetic ink characters on the check, affixed to the housing at the second slot and in communication with the processor;

an imaging device, for capturing an image of the consumer check, affixed to the housing at the second slot and in communication with the processor;

a smart card reader affixed to the housing at the third slot and in communication with the processor;

a printing device configured to print on a roll receipt and further configured to print on the check that is received in the second slot; and

a modem located in the housing and in communication with the processor,

wherein the processor is programmed to process multiple payment types including processing a credit card when the credit card is passed through the first slot and printing a receipt on the roll receipt, processing a debit card when the debit card is passed through the first slot and printing a receipt on the roll receipt, processing a smart card when the smart card is passed through the third slot and printing a receipt on the roll receipt, and further including processing a checking account transaction when a check is placed in the second slot.

15. The payment terminal of claim 14 wherein the processor is further programmed to, when processing a checking account transaction, print a receipt on the check and treat the transaction as an electronic debit.

16. The payment terminal of claim 15 wherein printing the receipt includes marking the check as processed.

17. The payment terminal of claim 14 wherein the processor is further programmed to, when processing a checking account transaction, frank the check for deposit and treat the transaction as payment by paper check.

18. The payment terminal of claim 14 further comprising:

a serial port in communication with the processor for connecting an external device to the payment terminal.

19. An integrated point of sale payment terminal for processing multiple payment types including payment by debit, payment by credit, payment by smart card, and payment by check, the payment terminal being located at the point of sale during use to allow a store merchant to accept multiple payment types, the payment terminal comprising:

a compact housing having a base shaped to sit on a merchant counter and having a first slot for receiving a payment card, a second slot for receiving a consumer check, and a third slot for receiving a smart card;

a processor disposed in the housing;

a random access memory in communication with the processor;

a display on the housing and in communication with the processor;

a keypad on the housing and in communication with the processor;

a magnetic stripe reader affixed to the housing at the first slot and in communication with the processor;

a magnetic ink character recognition device, for reading a string of magnetic ink characters on the check, affixed to the housing at the second slot and in communication with the processor;

an imaging device, for optically reading preprinted information on the check, affixed to the housing at the second slot and in communication with the processor, wherein the processor utilizes both the magnetic ink character recognition device and the imaging device to determine a content of the string;

a smart card reader affixed to the housing at the third slot and in communication with the processor; and

a printing device;

wherein the processor is programmed to process multiple payment types including processing a credit card when the credit card is passed through the first slot and printing a receipt, processing a debit card when the debit card is passed through the first slot and printing a receipt, processing a smart card when a smart card is passed through the third slot and printing a receipt, and further including processing a checking account transaction when a check is placed in the second slot.

20. The payment terminal of claim 19 further comprising:

a modem located in the housing and in communication with the processor.

21. A method of electronic check conversion for use with an integrated point of sale payment terminal for processing multiple payment types including payment by check, the payment terminal being located at the point of sale during use to allow a store merchant to accept multiple payment types, the payment terminal including a compact housing having a base shaped to sit on a merchant counter and having a document slot for receiving a check, a processor disposed in the housing, a memory in communication with the processor, a magnetic ink character recognition device for reading a string of magnetic ink characters on the check and affixed to the housing at the document slot and in communication with the processor, and an imaging device for capturing an image of the check and affixed to the housing at the document slot and in communication with the processor, wherein the processor is programmed to process multiple payment types including processing a checking account transaction when the check is placed in the document slot, the method comprising:

sending an authorization packet from the payment terminal to a host, the packet including an application version;

if the host determines that a more current application than indicated in the authorization packet is available, sending a response packet including a tag indicating a pick-up time from the host to the payment terminal; and

at the pick-up time, downloading the more current version of the application to the payment terminal from the host.

22. A method of electronic check conversion for use with an integrated point of sale payment terminal for processing multiple payment types including payment by check, the payment terminal being located at the point of sale during use to allow a store merchant to accept multiple payment types, the payment terminal including a compact housing having a base shaped to sit on a merchant counter and having a document slot for receiving a check, a processor disposed in the housing, a memory in communication with the processor, a magnetic ink character recognition device for reading a string of magnetic ink characters on the check and affixed to the housing at the document slot and in communication with the processor, and an imaging device for capturing an image of the check and affixed to the housing at the document slot and in communication with the processor, wherein the processor is programmed to process multiple payment types including processing a checking account transaction when the check is placed in the document slot, the method comprising:

printing a money order for a consumer with the printing device;

capturing an image of the money order with the imaging device; and

sending the image of the money order to a host as a receipt for the money order.

23. A method of electronic check conversion for use with an integrated point of sale payment terminal for processing multiple payment types including payment by check, the payment terminal being located at the point of sale during use to allow a store merchant to accept multiple payment types, the payment terminal including a compact housing having a base shaped to sit on a merchant counter and having a document slot for receiving a check, a processor disposed in

the housing, a memory in communication with the processor, a magnetic ink character recognition device for reading a string of magnetic ink characters on the check and affixed to the housing at the document slot and in communication with the processor, and an imaging device for capturing an image of the check and affixed to the housing at the document slot and in communication with the processor, wherein the processor is programmed to process multiple payment types including processing a checking account transaction when the check is placed in the document slot, the method comprising:

capturing an image of the check at the payment terminal;

presenting a check transaction to a host;

converting the check transaction to an electronic check transaction at the host by sending the captured image of the check to the host.